



NEWS RELEASE

Tennessee Regulatory Authority

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TRA Reaches Settlement with Atmos Energy over estimating bills

Nashville, Tennessee – The Tennessee Regulatory Authority (TRA) recently reached a settlement agreement with Atmos Energy for alleged billing violations of its residential customers in middle Tennessee.

A TRA investigation initiated by an internal review performed by Atmos and the complaints of nearly three dozen consumers from portions of Rutherford and Williamson counties determined that Atmos Energy's gas utility meters had not been read with regularity as required by TRA rules.

The impact of this practice to consumers resulted in much lower than normal gas utility bills during the warmer months of 2004, but above average bills to consumers – sometimes double and triple the amount of previous years – when the company resumed its practice of regularly reading gas utility during the colder months of late fall and early winter of 2004.

During the TRA's investigation it was discovered that Atmos had outsourced its meter reading functions to a third-party vendor and that it was solely responsible for failing to abide by the agreed to Atmos contract outlining the reading of meters. Atmos cooperated fully with the TRA's investigation and has since terminated its contract with the third party company. All customer meters are now being read by Atmos employees.

As part of the Atmos settlement agreement with the TRA, Atmos has agreed to pay a monetary settlement of \$40,000, of which \$15,000 will be paid to agencies that assist low income consumers with their energy bills in Rutherford and Williamson counties.

"We are pleased with the responsiveness of Atmos to this matter," said TRA Chairman Pat Miller. "And we are equally pleased that a portion of the settlement agreement will go to organizations that provide assistance to low income citizens."

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